

MINUTES – JANUARY 21, 2022

CALL TO ORDER
(A.)

Chairman David Moses called the January 21, 2022, meeting to order at 9:33 a.m. The meeting was held via teleconference. Notice of this teleconference was given to the public via the KRGC and Public Square websites. Commissioners Brandon Jones, Larry Turnquist, Kelly Kultala, and Sheryl Spalding were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Security Roger Bailey, and other staff.

MOTION, APPROVE
AGENDA
(B.)

Commissioner Spalding (Jones) moved to approve the agenda. Motion carried 5-0.

MOTION, APPROVE
December 17, 2021
MEETING MINUTES
(C.)

Commissioner Turnquist (Kultala) moved to approve the minutes of the December 17, 2021 meeting. Motion carried 5-0.

MOTION, APPROVE
CONSENT AGENDA
(D.)

Commissioner Kultala (Spalding) moved to approve the consent agenda (five items). Motion carried 5-0.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; BOOT
HILL CASINO & RESORT
(E.1.a.)

Diane Giardine, General Manager, reported:

- December 2021 revenue numbers compared to December 2020:
 - Total gaming revenue up 28.95 %
 - Total slot revenue up 31%
 - Table games revenue up 10.4%
- Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions
 - Home for the Holidays Giveaway
 - Christmas Bonus Kiosk Games
 - New Year's Eve Hot Seats
 - VIP Promotions
 - Season Pick 'Em NFL, September 12 – January 9
 - Camo Hat Earn and Win, November 13
 - Thanksgiving Lunch, November 25
 - VIP Black Friday Free Play Frenzy, November 26 & 27
 - Holiday Donation Drive, November 22 – December 19
 - Home for the Holidays, every Saturday in December

- Gary Allan, December 3
- Stars on Ice Holiday Tour, December 17
- Christmas Buffet, December 25
- New Year's Eve Hot Seats, December 31
- Upcoming Entertainment & Events
 - Chris Janson, February 12
 - Harlem Globetrotters, February 14
 - Fairy Tales on Ice, March 6
 - KSHSAA 1A State Basketball, March 9
 - Gabriel "Fluffy" Iglesias, March 25
- Boot Hill Casino's COVID-19 precautions and the impact on staff and patrons
- Semi-Annual Responsible Gambling Report
 - 220 active employees
 - 61 new hires
 - 58 new hires have taken TIPS testing during the reporting period.
 - 12 existing employees have recertified their TIPS testing for another 3-year period.
 - 174 active employees completed annual refresher training for TIPS/Responsible Alcohol Service during the 4th Quarter of 2021.
 - BHCMC, LLC has 4 certified TIPS Trainers on property.
 - 58 new hires have taken Responsible Gaming during the reporting period.
 - 174 active employees completed annual refresher training for Responsible Gaming during the 4th Quarter of 2021.
 - BHCR participated in Responsible Gaming Education Week September 19-25, 2021.
 - 1 VEP refused entry to the gaming floor
 - 7 VEPs removed from the gaming floor
 - 15 intoxicated patrons refused entry to the gaming floor
 - 65 intoxicated patrons removed from the gaming floor
 - 265 minors refused entry to gaming floor
 - 0 minors removed from gaming floor
 - 231 patrons without ID refused entry to the gaming floor
 - 214 patrons with invalid ID refused entry to the gaming floor

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

Jeff Babinski, Vice President and General Manager, reported:

- Admissions down 3% compared to December 2020
- December 2021 revenue numbers compared to December 2020:
 - Total gross gaming revenue up 5.6%
 - Slot coin-in down .6 %
 - Slot hold down .09 pts
 - Table games drop up 39.4%
 - Table games hold up 2.1 pts
- Past Events and Promotions:
 - Wichita Flea Market, December 18 & 19
 - Brian McKnight, January 8
- Upcoming Events and Promotions:
 - Asian Variety Show, January 29
 - Maize Battle of the Belt, February 5 & 6
 - Adult Prom, February 12
- Kansas Star Casino's COVID-19 precautions and the impact on staff and patrons
- Semi-Annual Responsible Gambling Report
 - 580 active employees
 - 108 new hires
 - All new hires have taken Alcohol Awareness testing during the reporting period.
 - All new hires have taken Responsible Gaming during the reporting period.
 - 109 team members took the ServSafe training, 6 team members failed and will be required to re-take until they pass the course.
 - Kansas Star participated in Responsible Gaming Education Week September 19-25, 2021.
 - 210 VEP refused entry to the gaming floor
 - 18 VEPs removed from the gaming floor
 - 290 intoxicated patrons refused entry to the gaming floor
 - 410 intoxicated patrons removed from the gaming floor
 - 236 minors refused entry to gaming floor
 - 3 minors removed from gaming floor
 - 1,461 patrons without ID refused entry to the gaming floor
 - 814 patrons with invalid ID refused entry to the gaming floor
 - 350 patrons removed from the gaming floor for other reasons

- Security checked 192,053 IDs during the reporting period

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Rick Skinner, Vice President & General Manager, reported:

- Admissions were up 21.3% compared to December 2020
- December 2021 revenue numbers compared to December 2020:
 - Total gross gaming revenue up 46.9%
 - Slot revenue up 45.6%
 - Table games revenue up 63.5%
 - Poker room re-opened December 8
- Recent/Upcoming Events and Promotions:
 - \$30K Winners Party, December 4
 - Winning Hand, December 10
 - Raid Santa's Workshop, December 11
 - Big Game for Life, December 18
 - Pie Giveaway, December 23
 - NYE Drawing, December 31
 - NYE Pull Tabs, December 31
 - Drop and Win, January 7
 - Free Slotplay for a Year, January 8
 - VIP Pull Party, January 15
 - Fleece Jacket Giveaway, January 22
 - 10-Year Cupcake, February 2
 - Big Screen for the Big Game, February 12
 - 10-Year Anniversary Celebration, February 19
- Hollywood Casino's COVID-19 precautions and the impact on staff and patrons
- Semi-Annual Responsible Gambling Report
 - 367 active employees
 - 145 new hires
 - 41 new hires have taken TIPS testing during the reporting period.
 - 32 active employees completed annual refresher training for TIPS/Responsible Alcohol Service during the 4th Quarter of 2021.
 - All new hires have taken Responsible Gaming during the reporting period.
 - 16 VEPs removed from the gaming floor
 - 147 intoxicated patrons refused entry to or removed from the gaming floor
 - 42 minors refused entry to gaming floor

- 3 minors removed from gaming floor

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Jeff McKain, General Manager, reported:

- Admissions up 22.3% compared to December 2020
- December 2021 revenue numbers compared to December 2020:
 - Net slot revenue up 24.8%
 - Coin in up 26.0%
 - Table games drop up 26.0%
 - Net gaming revenue up 26.5%
- Events and Promotions:
 - December
 - Casino Hot Seats every Monday
 - Point Multiplier Kiosk games every Tuesday
 - Camp 49 Hot Seats and lunch specials every Wednesday
 - Casino Hot Seats every Thursday
 - Prize Wheel promotion every Friday
 - VIP Dinner, November 12 & 19
 - Bank Buster Progressive Drawing, November 26
 - Casino Gift Day every Saturday
 - January
 - Casino Hot Seats every Monday
 - Point Multiplier Kiosk games every Tuesday
 - Camp 49 Hot Seats and lunch specials every Wednesday
 - Smash and Grab Christmas promotion every Friday
 - Bank Buster Progressive drawing, December 31
 - Casino Gift Day every Saturday
 - Kiosk games every Sunday
 - VIP Dinner and Dueling Pianos, December 31
- Kansas Crossing Casino's COVID-19 precautions and the impact on staff and patrons
- Semi-Annual Responsible Gambling Report
 - 180 active employees
 - 74 new hires
 - Out of 129 team members requiring C.A.R.E. training:
 - 26 new hires have required certification (hired since 7/1/2021), 23 have been certified
 - 3 are pending certification.
 - KCC is in the process of implementing a new training program. C.A.R.E. is no longer available.

- The new program is TIPS. 1 team member is a certified trainer. More trainers are in the works.
- All new hires have taken Responsible Gaming during the reporting period.
- All active employees completed annual refresher training for Responsible Gaming during the 4th Quarter of 2021.
- KCC participated in Responsible Gaming Education Week September 19-25, 2021.
- 5 VEP refused entry to or removed from the gaming floor
- 22 intoxicated patrons refused entry to the gaming floor
- 28 intoxicated patrons removed from the gaming floor
- 90 minors refused entry to gaming floor
- 3 minors removed from gaming floor
- 811 patrons without ID refused entry to the gaming floor
- 79 patrons with invalid ID refused entry to the gaming floor

COMMISSION ITEMS –
OLD BUSINESS
(F.)

There was no old business.

COMMISSION ITEMS –
NEW BUSINESS;
ELECTION OF VICE
CHAIR AND SECRETARY
(G.1.a)

The Kansas Racing and Gaming Commission is required by state statute K.S.A. 74-8803(i) to annually elect a vice chair and secretary. Commissioner Kultala is the current vice chair. Commissioner Turnquist is the current secretary. Commissioner Turnquist (Jones) nominated Commissioner Kultala as Vice Chair. The nomination carried unanimously. Commissioner Jones (Kultala) nominated Commissioner Turnquist as Secretary. The nomination carried unanimously.

COMMISSION ITEMS –
NEW BUSINESS; KANAS
GREYHOUND REGISTRY
CONTACT APPROVAL
REQUEST
(G.2.a)

Don Brownlee, Executive Director, clarified that this agenda item is neither an endorsement nor a promotion of greyhound racing. There is a statutory requirement to keep a greyhound registry and this item is merely asking the commissioners to approve a contract with the Kansas Greyhound Association to operate the registry on the Kansas Racing and Gaming Commission's behalf for 2022.

Brandi White, Director of Administration, Finance, and Audit presented the proposal for the Kansas Greyhound Association to administer the Kansas Greyhound Registry for calendar year 2022. Michael Strickland, Kansas Greyhound Association board member, and Jim Gartland,

National Greyhound Association Executive Director, were available for questions.

Commissioner Jones (Turnquist) moved to approve renewal of the KGA greyhound registry contract for calendar year 2022 with no funding provided by KRGC. Motion carried 5-0.

COMMISSION ITEMS –
NEW BUSINESS; KANSAS
CROSSING CASINO
MATERIAL DEBT
TRANSACTION
APPROVAL REQUEST
(G.3.a)

John C. Frieden, Frieden & Forbes, LLP presented the Kansas Crossing Casino's material debt transaction approval request. B.C. Christianson, Lead Principal of Kansas Crossing Real Estate and Kansas Crossing Casino, thanked the commissioners and staff for their efforts and remained available for questions.

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1. and I.2.)

Garrett Rogers, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of December 2021 and the Quarterly Illegal Gambling Report.

Todd Allen, Government Relations Manager, gave a gaming legislation report:

- Provided overview of SB 84 and HB 2199
- Commissioner Kultala asked that a physical report also be provided. Chairman Moses stated that he would like to work with KRGC's General Counsel to ensure compliance with applicable agency regulations and state statutes.
- Chairman Moses requested that the fiscal impact of proposed legislation be highlighted in future reports.

Executive Director Brownlee reported:

- Governor's proposed budget for fiscal year 2022 does not have any changes to KRGC budget request.
 - Governor Kelly has asked the legislature to approve a 5% pay increase for all state employees.
- Ohio allows sports betting online, in casinos, in racinos, and by stand-alone kiosks in bars and restaurants. Sports betting in Ohio is regulated by the Ohio Casino Control Commission.

- The Kentucky legislature passed legislation to approve historical horse racing. Consequently, there is a 60,000sq. ft. historical horse racing venue being constructed in Owensboro, Kentucky.
- Attorney General Schmidt has filed a lawsuit regarding the establishment of the CrossWinds Casino in Park City
- Confirmed next meeting is scheduled for February 11th at 9:30 a.m.

MOTION, EXECUTIVE
SESSION; CONFIDENTIAL
BACKGROUND REPORTS
(J.1.)

Commissioner Jones (Kultala) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion will include the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be fifteen (15) minutes until 11:10 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session via teleconference. The motion carried 5-0, with one abstention, and the meeting was adjourned to executive session at 10:55 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session via teleconference at 11:15 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present. Chairman Moses noted that the executive session did end at 11:10 a.m., but logistical hurdles related to the phone conferencing system delayed the return to open session.

MOTION, EXECUTIVE
SESSION; ATTORNEY-
CLIENT PRIVILEGE
(J.3.)

Commissioner Turnquist (Kultala) moved that the Commission go into executive session for the purpose of consulting with the agency's attorney on attorney-client privileged communications. In addition to the commissioners, the attorney-client privileged communications will include the executive director and general counsel. The total time for the executive session was anticipated to be fifteen (15) minutes until 11:30 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive

session, the meeting is to be continued in open session via teleconference. The motion carried 5-0, and the meeting was adjourned to executive session at 11:15 a.m.

RECONVENE
(J.4.)

The commission meeting returned to open session via teleconference at 11:34 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present. Chairman Moses noted that the executive session did end at 11:30 a.m., but logistical hurdles again delayed the return to open session.

MOTION, EXECUTIVE
SESSION; ATTORNEY-
KCC TRANSACTION
(J.5.)

Commissioner Kultala (Spalding) moved that the Commission go into executive session for the purpose of conducting a confidential review and discussion of the Kansas Crossing Casino material debt transaction approval request, specifically considering whether the transaction would deprive the facility manager of financial stability, the financial condition of the affiliate, and the potential impact of any default on the gaming facility manager. The confidential review and discussion of the Kansas Crossing Casino material debt transaction approval request will include the executive director, general counsel, and Government Relations Manager Todd Allen. The total time for the executive session was anticipated to be ten (10) minutes until 11:50 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session via teleconference. The motion carried 5-0, and the meeting was adjourned to executive session at 11:40 a.m.

RECONVENE
(J.6.)

The commission meeting returned to open session via teleconference at 11:51 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present.

MOTIONS ON LICENSE
APPLICATIONS
(K.1.)

Commissioner Turnquist (Jones) moved to *deny one* license application, *conditionally approve one* license application, *conditionally approve one* request for reconsideration, *deny one* request for reconsideration, and *approve the remaining 174* license applications from the January 21, 2022, list of background reports referred to the commission for action. The motion carried 5-0.

MOTION FOR APPROVAL
OF KCC TRANSACTION
(K.2)

Commissioner Jones (Turnquist) moved to approve the Kansas Crossing Casino material debt transaction approval request. The motion carried 5-0.

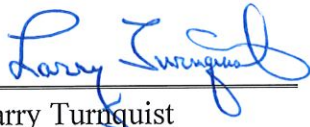
There were no other items for discussion or motion.

ADJOURNMENT
(L.)

Chairman Moses stated that the February 11, 2022, commission meeting will begin at 9:30 a.m. if by teleconference or at 10:00 a.m. if in person.

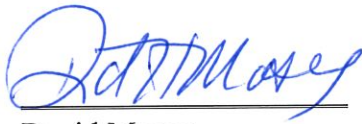
Commissioner Turnquist (Kultala) moved to adjourn the meeting. Motion passed 5-0. The meeting was adjourned at 12:03 p.m.

SUBMITTED BY:



Larry Turnquist
Secretary

APPROVED BY:



David Moses
Chairman